



1997

## When Is Transition Over? 1997-98

Department of Economics

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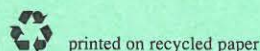


**1997-98  
Lecture-Seminar Series  
Department of Economics  
College of Arts and Sciences  
Western Michigan University  
1201 Oliver Street  
Kalamazoo, MI 49008-5023**

When is Transition Over? is the thirty-fourth annual Public Lecture-Seminar Series organized by the Department of Economics at Western Michigan University. This year, the series focuses on the dramatic changes sweeping through the countries of Central and Eastern Europe, the former Soviet Union, and China—changes that have challenged policy makers and fascinated economists. This year's series is directed by Annette N. Brown, Assistant Professor in the WMU Economics Department, with the assistance of Sisay Asefa, William Kern, Christopher O'Leary, and Huizhong Zhou, and is co-sponsored by the W. E. Upjohn Institute for Employment Research. All Wednesday afternoon lectures, followed by a question and answer session and a reception, are open to the public. During his or her visit, each scholar also presents an academic seminar, which is open to graduate students, faculty, and all interested practitioners. For further information, please contact Dr. Brown at (616) 387-5557 or A.N.Brown@wmich.edu or the WMU Economics Department at (616) 387-5535.

The public lectures in this series also comprise part of a mini-course for academic credit, supervised by Dr. Brown, and open to graduate and advanced undergraduate students enrolled at Western Michigan University.

**Directions:** From I-94, take U.S. 131 north to Exit 36A (Stadium Drive). Travel east on Stadium Drive to the fourth traffic light at Howard Street. Turn left onto Howard and take the second right to the WMU campus. Follow the signs to the Miller Auditorium parking ramp. Knauss Hall is the dark brick building opposite the Waldo Library clock tower.



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**WESTERN MICHIGAN UNIVERSITY**

College of Arts and Sciences  
Department of Economics  
1997-98 Guest Lecture-Seminar Series  
**When Is Transition Over?**  
**Economic Reform in Post-Communist and Communist Countries**  
Public Lectures on Wednesdays  
3:00 P.M. 3508 Knauss Hall  
Reception Following

**Fall Semester**

**Margie Lavigne**  
University of Pau, France and  
Institute of Applied Mathematics and Economics  
October 15, 1997

**Alan H. Gelb**  
The World Bank  
October 29, 1997

**Anders Åslund**  
Carnegie Endowment for International Peace  
November 19, 1997

**Winter Semester**

**Nicholas R. Lardy**  
The Brookings Institution  
January 21, 1998

**Jan Svejnar**  
William Davidson Institute at the  
University of Michigan Business School  
February 18, 1998

**János Kornai**  
Harvard University and Collegium Budapest  
April 8, 1998

The Department of Economics and the College of Arts and Sciences gratefully acknowledge the co-sponsorship of this series by the W.E. Upjohn Institute for Employment Research, Kalamazoo, Michigan.

This series is directed by Annette N. Brown, Assistant Professor, with assistance from Sisay Asefa, William Kern, Christopher O'Leary, and Huizhong Zhou.

***Economic Transition:  
What Remains To Be Done?***



**Margie Lavigne**  
Emeritus Professor of Economics  
University of Pau, France and  
Research Fellow  
Institute of Applied Mathematics and Economics

Professor Lavigne earned her Ph.D. in economics at the University of Strasbourg where she also earned an M.A. in Russian Language and Literature. She is currently an Emeritus Professor at the University of Pau in France. She has also taught at the University of Paris, where she was a Professor in the Faculty of Law and Economics and the Director of the Center for International Economics of Socialist Countries and at the University of Strasbourg. She served as Director of the European Studies Center in Czechoslovakia in 1991. Currently she is also a Research Fellow at the Institute of Applied Mathematics and Economics in Paris.

Professor Lavigne has been studying the countries of the former Soviet Bloc for four decades now. She has conducted research both before and after the onset of transition in many of these countries, including the USSR, Russia, Albania, Bulgaria, Czechoslovakia, the Czech Republic, the GDR, Hungary, Poland, Romania, and Yugoslavia. She has visited many institutions as a Visiting Professor or Guest Researcher including the Kennan Institute, Barnard College, Columbia University, Stanford University, and the Institute for East-West Security Studies. She has served as a consultant to the European Commission and the French Senate.

Professor Lavigne's fields of research are the political economy of socialism, international economic relations of the (former) Soviet Union and Eastern Europe, integration of Eastern Europe in the world economy, and transition to the market in Russia and Eastern Europe. Recently she has expanded her research agenda to include the transition to market and patterns of growth in Vietnam, Laos, and Cambodia. She has published numerous books, the most recent of which is *The Economics of Transition, from Socialist Economy to Market Economy*, which was published in both English and Spanish. Other recent books are *The Soviet Union and Eastern Europe in the Global Economy* (ed.), *International Political Economy and Socialism*, and *Financing the Transition in the USSR: the Costs of the Shatalin Plan*. Her recently published papers include the journal article "Russia and Eastern Europe: Is Transition Over?" in *Journal of Comparative Economics* and book chapters "How to Solve the Problems Resulting from the Collapse of East-European Soviet Trade," "Economic Relations of the (Former) CMEA Countries: Past, Present and Future," "Market Economies as Project and Practice," and "the EBRD in Eastern Europe," in various edited books. In addition to these and other works in English, Professor Lavigne has published numerous books and articles in French. She was editor of the journal *Economies et Sociétés* and has served on the editorial boards of several other journals.

Wednesday  
October 15, 1997  
3:00 P.M.  
3508 Knauss Hall  
WMU

***The Transition from  
Plan to Market***



**Alan H. Gelb**  
Chief Economist, Africa Region  
World Bank

Dr. Gelb was a Rhodes Scholar and received his Ph.D. in economics from Oxford University. He is currently Chief Economist for the Africa Region and the Regional Technical Manager for Economic Management and Social Policy in the Africa Region at the International Bank for Reconstruction and Development, commonly known as the World Bank. Prior to this, Dr. Gelb was the Staff Director of the 1996 World Development Report on *The Transition from Plan to Market*. He was also the Division Chief of the Transition Division in the Policy Research Department.

During his long tenure at the World Bank, Dr. Gelb has visited, researched, and advised innumerable developing countries in Africa, Asia, Europe, and Central and South America, including most of the countries considered to be transition economies. He has served on a number of special task forces in the World Bank, including those created to review country modeling and global modeling. He was involved in the Joint Study of the USSR, which took place in 1990-91, and was responsible for overseeing the components on agriculture, manufacturing industry, and housing.

Dr. Gelb's areas of research have included commodity price stabilization and control, employee ownership and incentive systems in cooperative structures, macroeconomic theory and modeling, rural industrialization in China, financial systems and policies, and systematic reform. Recent publications of journal articles by him and co-authors include "A Comparative Analysis of Twenty-Eight Transition Economies in Europe and Asia," in *Post-Soviet Geography and Economics*; "Patterns of Transition from Plan to Market," in *World Bank Economic Review*; "Shocks and Adjustment by Firms in Transition: A Comparative Study," in *Journal of Comparative Economics*; "Can Communist Economies Transform Incrementally? The Experience of China," in *Economics of Transition*; and "The Process of Socialist Economic Transformation," in *Journal of Economic Perspectives*. He has also written and co-edited several books including the recent *Restructuring and Privatization in Central Eastern Europe: Case Studies of Firms in Transition* and *Oil Windfalls: Blessing or Curse?*

Wednesday  
October 29, 1997  
3:00 P.M.  
3508 Knauss Hall  
WMU



## Getting Rent-Seeking Under Control: The Final Stage of Transition



Wednesday  
November 19, 1997  
3:00 P.M.  
3508 Knauss Hall  
WMU

**Anders Åslund**  
Senior Associate  
Carnegie Endowment for International Peace

Dr. Åslund graduated from both the Stockholm School of Economics and the University of Stockholm and received his Ph.D. in economics from Oxford University. He is currently a Senior Associate at the Carnegie Endowment for International Peace in Washington, D.C. From 1989 to 1994, he was Professor and Director of the Stockholm Institute of East European Economics at the Stockholm School of Economics. Before that he served in the Swedish Diplomatic Service, working in Kuwait, Switzerland, Poland, and Russia.

Dr. Åslund served as an economic advisor to the Russian government from November 1991 until January 1994, and he continues to work as an economic advisor to the Ukrainian government since August 1994. Since the beginning of transition, he has been a primary participant in the policy debates surrounding reform in these countries and has written opinion articles for *Newsweek*, *The New York Times*, *The Financial Times*, and *The International Herald Tribune* among others. He has been a Research Scholar at the Kennan Institute for Advanced Russian Studies and a Guest Scholar at The Brookings Institution. He is also a member of two Russian Academies and a number of boards of directors and advisory boards.

Since he finished his Ph.D. in 1982, Dr. Åslund has published several books and journal articles, and has also edited or co-edited several books and written numerous chapters in edited books. His books are *How Russia Became a Market Economy*, *Gorbachev's Struggle for Economic Reform*, *Post-Communist Economic Revolutions: How Big a Bang?* and *Private Enterprise in Eastern Europe: the Non-Agricultural Private Sector in Poland and the GDR, 1945-83*. Journal articles include "Russian Banking: Crisis or Rent-Seeking?" in *Post-Soviet Geography and Economics*; "Lessons of the First Four Years of Systematic Change in Eastern Europe," in *Journal of Comparative Economics*; "Debate on the Transition of Post-Communist Economies to a Market Economy," in *Acta-Oeconomica*; and "The Making of Economic Policy in 1989 and 1990," and "Gorbachev's Economic Advisors," in *Soviet Economy*. His edited books, in which he has also written chapters, include *Russian Economic Reform at Risk*, *Economic Transformation of Russia*, and *The Post-Soviet Economy: Soviet and Western Perspectives*.

## China's Unfinished Economic Revolution



Wednesday  
January 21, 1998  
3:00 P.M.  
3508 Knauss Hall  
WMU

**Nicholas R. Lardy**  
Senior Fellow  
The Brookings Institution

Dr. Lardy received his Ph.D. in economics from the University of Michigan. He is currently a Senior Fellow in the Foreign Policy Studies program at the Brookings Institution. Prior to Brookings, Dr. Lardy was at the University of Washington, where he was Professor and Director of the Henry M. Jackson School of International Studies and, earlier, chaired the China Program. Dr. Lardy has also taught in the Economics Department at Yale University and was Assistant Director of the Economic Growth Center there.

Dr. Lardy serves on the Board of Directors and Executive Committee of the National Committee on United States-China Relations; is a member of the Council on Foreign Relations; and is a member of the Editorial Boards of three journals, having served on several others as well. He has received several prestigious fellowships and research grants from national organizations recently including the American Council of Learned Societies and Social Science Research Council.

Dr. Lardy has written and edited numerous articles and books on the Chinese economy. His current project at Brookings, *Financial Reform in China's Economic Transition*, will evaluate the reform of China's banking system and measure the economic consequences of deferring economic reform in the state-owned sector. He has written many books including *China in the World Economy*; *Foreign Trade and Economic Reform in China, 1978-90*; *Agriculture in China's Modern Economic Development: A Non-Maoist Alternative*; *Agricultural Prices in China*; and *Economic Growth and Distribution in China*. Some of his journal articles include: "Settling Down," in *The China Business Review*; "The Role of Foreign Trade and Investment in China's Economic Transformation," and "Chinese Foreign Trade," in *The China Quarterly*; and "China's Growing Role in Asia," in *The Future of China*. Examples of his many chapters in edited books are "U.S.-China Economic Relations," "China: Sustaining Development," "Is China Different? The Fate of its Economic Reform," and "Economic Developments in the PRC." Dr. Lardy has also written articles for broader audiences in *The Wall Street Journal* and *The Brookings Review*.

## The Relative Merits of the Central European Model of Transition



Wednesday  
February 18, 1998  
3:00 P.M.  
3508 Knauss Hall  
WMU

**Jan Svejnar**  
Executive Director, William Davidson Institute and  
Everett E. Berg Professor of Business Economics and  
International Business, Univ. of Michigan Business School

Professor Svejnar received his Ph.D. in economics from Princeton University. Since July of 1996 he has been the Executive Director of the William Davidson Institute and the Everett E. Berg Professor at the University of Michigan Business School. He also holds an appointment as Professor in the Economics Department at Michigan. Concurrently Professor Svejnar is the Director of the Economics Institute of the Academy of Sciences of the Czech Republic and the Chairman of the Executive and Supervisory Committee of the Center for Economic Research and Graduate Education of Charles University in Prague. Prior to coming to Michigan, he was a Distinguished Service Professor of Economics at the University of Pittsburgh and also taught at Cornell University.

Professor Svejnar was one of the chief architects of the Czech Republic's economic reforms, and he continues to serve as an advisor to Czech President Vaclav Havel. He conceived and launched a highly successful graduate program that trains economists for former Soviet bloc countries, the only American-style Ph.D. program and research center in economics in Central and Eastern Europe. Professor Svejnar has conducted research and given policy advice in over twenty countries worldwide and has been awarded numerous research and other grants from organizations including the Andrew W. Mellon Foundation and the National Science Foundation.

Professor Svejnar's research in economic development covers a range of major issues in the field, including the effect of government policy on firms' economic performance and the behavior of multinationals and joint ventures. Some examples of his recent journal publications, alone and with co-authors, are "Employment and Wage Behavior of Industrial Firms During the Transition," and "Using Vouchers to Privatize an Economy: The Czech and Slovak Case," in *The Economics of Transition*; "Enterprises and Workers in the Transition: Econometric Evidence," in the *American Economic Review*, *Papers and Proceedings*; "Behavior of Participatory Firms in Yugoslavia: Lessons for Transforming Economies," in *Review of Economics and Statistics*; "Wage Determination in Labor-Managed Firms under Market-Oriented Reforms: Estimates of Static and Dynamic Models," in *Journal of Comparative Economics*; and "Microeconomic Issues in the Transition to Markets," in *Journal of Economic Perspectives*. He has also written and edited several books and monographs, for example *Economic Transformation in Central and Eastern Europe: The Tasks Still Ahead* and *The Czech Republic and Economic Transition in Eastern Europe*, and has contributed alone or with co-authors more than twenty chapters to edited books.

## Reforming the Welfare State in Postsocialist Economies



Wednesday  
April 8, 1998  
3:00 P.M.  
3508 Knauss Hall  
WMU

**János Kornai**  
Allie S. Freed Professor of Economics, Harvard University  
and Permanent Fellow  
Collegium Budapest, Institute for Advanced Study

Professor Kornai earned both a Doctor of Economics degree from Karl Marx University of Economics in Budapest and a Doctor of Science degree from the Hungarian Academy of Sciences. He is currently the Allie S. Freed Professor of Economics at Harvard University, Research Fellow at Collegium Budapest, and Research Professor in the Institute of Economics at the Hungarian Academy of Sciences, where he has been doing research for 30 years. He has held Visiting Professorships at numerous prestigious universities including London School of Economics, Stanford, Yale, and Princeton.

Professor Kornai has served on the Scientific Advisory Council of the European Bank for Reconstruction and Development, was Vice Chairman of the United Nations Committee for Development Planning, and has been President of the Hungarian Social Science Association, the European Economic Association, and the Econometric Society. He has been awarded many honors, including the Hungarian State prize, the Erasmus Medal, and the Széchenyi Prize. He is an Honorary Doctor at seven universities worldwide and an Honorary Member of several organizations and academies. He is also a member of the Board of the Hungarian National Bank.

Professor Kornai has published more than ten books and fifty journal articles. His work has been extremely influential, both in the field of Soviet-type economics and in the new study of transition economics. His famous book *The Road to a Free Economy. Shifting from a Socialist System: The Example of Hungary* was published in fifteen languages. Examples of his other books, all published in two or more languages, are *Highways and Byways: Studies on Socialist Reform and Postsocialist Transition*; *The Socialist System: The Political Economy of Communism*; *Contradictions and Dilemmas*; and the well-known books *Economics of Shortage and Growth*, *Shortage and Efficiency*. His recent journal articles include "Paying the Bill for Goulash-Communism: Hungarian Development and Macro Stabilization in Political-Economy Perspective," in *Social Research*; "Lasting Growth as the Top Priority: Macroeconomic Tensions and Government Economic Policy in Hungary," in *Acta Oeconomica*; "Eliminating the Shortage Economy: A General Analysis and Examination of the Developments in Hungary," in *Economics of Transition*; "the Postsocialist Transition and the State: Reflections in the Light of Hungarian Fiscal Problems," in *American Economic Review Papers and Proceedings*; and "The Affinity Between Ownership Forms and Coordination Mechanisms: The Common Experience of Reform in Socialist Countries," in *Journal of Economic Perspectives*.